

CRAIG CARPENITO
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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
v.	:	Civil Action No. 19-
\$1,079,000 IN UNITED STATES CURRENCY,	:	VERIFIED COMPLAINT
	:	<u>FOR FORFEITURE <i>IN REM</i></u>
Defendant <i>in rem</i>.		

Plaintiff the United States of America, by its attorney, Craig Carpenito, United States Attorney for the District of New Jersey, for its verified complaint (the “Complaint”) alleges, upon information and belief, as follows:

I. NATURE OF THE ACTION

1. This action is brought by the United States of America seeking the forfeiture of \$1,079,000 in United States currency seized on or about February 14, 2017 from a vehicle driven by Ramon Verduzco-Lopez after a motor vehicle stop in Hargrave, California (hereinafter referred to as the “Defendant in rem” or the “defendant property”).

2. The Defendant in rem is subject to seizure and forfeiture to the United States of America pursuant to 21 U.S.C. § 881(a)(6), which subjects to

forfeiture all moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for a controlled substance or listed chemical in violation of Title 21, Subchapter I, of the United States Code, all proceeds traceable to such an exchange, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of Title 21, Subchapter I, of the United States Code.

II. JURISDICTION AND VENUE

3. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355(a).

4. Venue is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts and omissions giving rise to the forfeiture occurred in the District of New Jersey.

5. The Defendant in rem is being held on deposit by the United States Marshals Service (“USMS”) for the Central District of California in the USMS Seized Asset Deposit Fund account at the Federal Reserve Bank, New York, New York.

III. FACTS

6. In or about November 2015, law enforcement began investigating a narcotics trafficking and money laundering organization operating between New Jersey and California. The investigation determined that individuals were involved in receiving shipments of cocaine and heroin in California and transporting the narcotics to New Jersey.

7. As a result of the investigation, law enforcement identified Eduardo Barragan Zuninga ("Barragan"), and determined that Barragan, a co-conspirator ("CC-1"), and others were using a warehouse unit in Huntingdon Valley, Pennsylvania (the "Warehouse Unit") to receive shipments of machinery from California. Law enforcement discovered that narcotics were stored in the machinery that was shipped to Pennsylvania from California.

8. Barragan and, at times, CC-1, traveled from New Jersey to the Warehouse Unit to receive deliveries of pallets, which appeared to contain large industrial machines shrink-wrapped in plastic, but which also contained narcotics.

9. On or about March 4, 2016, law enforcement obtained a search warrant for the Warehouse Unit. Law enforcement executed the search warrant on March 7, 2016, after observing Barragan use a forklift to offload two pallets from a nearby flatbed truck, and place the pallets inside the Warehouse Unit.

10. The execution of the search warrant and an examination of one of the industrial machines that had been on the two pallets uncovered approximately nine packages wrapped in a black tape and submerged in hydraulic fluid with a weight attached to each package to keep it submerged. It was later determined that five of these packages were kilograms of cocaine and the other four were kilograms of heroin.

11. Also on March 7, 2016, Barragan was apprehended by law enforcement while attempting to flee the area, and was arrested. On April 20,

2018, Barragan was sentenced 120 months in prison after pleading guilty to a one-count information charging him with conspiracy to distribute and possess heroin and cocaine, contrary to 21 U.S.C. § 841(a)(1) and (b)(1)(A), in violation of 21 U.S.C. § 846. *See United States v. Eduardo Barragan Zuninga*, 17-cr-452 (PGS).

12. Subsequent to Barragan's arrest, law enforcement discovered that Barragan's drug trafficking organization ("DTO"), which had rented both the Warehouse Unit and at least one property in Bayonne, New Jersey, was also renting a residence located at 1031 Wildrose Avenue, in Pomona, California (hereinafter, "1031 Wildrose Avenue").

13. On or about February 14, 2017, at 8:30 a.m., law enforcement initiated surveillance in the area of 1031 Wildrose Avenue. During that surveillance, at approximately 10:39 a.m., law enforcement observed a subject, later identified as Ramon Verduzco-Lopez ("Verduzco-Lopez"), pull up in front of 1031 Wildrose Avenue.

14. Verduzco-Lopez was operating a grey 2016 Honda Civic bearing a Mexican license plate (the "Honda"). Shortly thereafter, an unidentified male operating a red Ford pick-up truck (the "truck") with a Mexican license plate pulled into the driveway of 1031 Wildrose Avenue, exited the truck, and opened the garage.

15. After opening the garage, the unidentified male backed a Jeep Liberty out of the garage and Verduzco-Lopez pulled the Honda into the garage. The unidentified male retrieved two backpack-style bags from the red

truck and took them into the garage out of view. He then retrieved two large weighted duffel bags from the truck and took them into the garage out of view. Both Verduzco-Lopez and the unidentified male were then in the garage and closed the door.

16. At approximately 11:50 a.m., the garage door opened and both Verduzco-Lopez and the unidentified male exited. Verduzco-Lopez re-entered the garage, pulled the Honda out, and left the area followed by surveillance units.

17. California Highway Patrol ("CHP") stopped the Honda traveling East on Interstate 10 in Hargrave, California, for speeding and following too closely.

18. During the traffic stop, the CHP officer observed that Verduzco-Lopez was visibly nervous and shaking. Verduzco-Lopez first stated that he went to Los Angeles for the day after crossing over from Mexicali. He then changed his story, stating he only went to Fontana, California. The CHP officer then asked Verduzco-Lopez to step out of the Honda, and Verduzco-Lopez exited the vehicle.

19. While outside the Honda, Verduzco-Lopez's cheeks and face were twitching uncontrollably. Verduzco-Lopez stated that he traveled to addresses in Fontana, California to go to two yard sales, but that he had not found what he was looking for, and that he had been looking for a pressure washer for his carwash business of six years. When asked how he was going to take the pressure washer home in his car, Verduzco-Lopez stated that it would be a

small pressure washer. When asked if he had a business card for his carwash, Verduzco-Lopez replied that he did not.

20. The CHP officer then gave Verduzco-Lopez a verbal warning for the moving violations and returned his license and paperwork. After Verduzco-Lopez turned around and walked back to the Honda, the CHP officer asked if he could speak to Verduzco-Lopez further, at which point Verduzco-Lopez turned around and walked backs towards the CHP officer.

21. When the CHP officer asked for consent to search the Honda, Verduzco-Lopez provided verbal and written consent. The CHP officer then allowed his narcotics detection K9, "Ranger," to sniff the exterior of the Honda. Ranger did not alert to the exterior of the vehicle, but after the CHP officer observed several loose interior trim covers within the Honda—a 2016 two-door model—he allowed Ranger to sniff the interior of the vehicle. Ranger, through a distinctive set of behaviors, alerted that he detected a controlled substance at the bottom of the left interior rear side liner, also known as, an interior quarter panel cover, and the top of the right interior rear side liner, also known as, an interior quarter panel cover, of the Honda.

22. K-9 Ranger was certified in narcotics detection in or about September 2011 after successfully completing a 12-week course in the detection of marijuana, cocaine, heroin, and methamphetamine given by the CHP in Sacramento, California

23. Ranger has been re-certified yearly since 2011. Ranger trains weekly and attends the monthly maintenance training days with the CHP.

24. Among other things, Ranger is trained to distinguish between uncirculated currency and currency that was recently commingled with one of the four controlled substances Ranger is trained to detect.

25. After Ranger alerted to the quarter panels, the CHP officer opened the interior rear side liners, also known as, the interior quarter panel covers, and felt multiple wrapped bundles of United States currency within the Honda's factory voids. The CHP officer then arrested Verduzco-Lopez and requested a tow of the Honda.

26. After the Honda was towed from the scene of the traffic stop to a police impound in the city of Banning, California, a search was conducted and within the vehicle's factory voids, law enforcement officers located forty-eight bundles of United States currency.

27. After the forty-eight bundles of United States currency were seized, an official count determined that the bundles amounted to \$1,079,000. All of the bundles were found to be wrapped in fabric softener sheets and packaged inside of vacuum-sealed plastic bags.¹ Also inside the sealed plastic bags were four pages of handwritten accounting notes.

28. Verduzco-Lopez had no explanation for the cash hidden in his vehicle, indicated it was not his, and signed a disclaimer of ownership of assets and waiver of right to notice of seizure form in Spanish.²

¹ Drug traffickers often vacuum-seal currency and use masking agents, such as dryer sheets, in an effort to avoid detection by narcotics detection K9s.

² Although Verduzco-Lopez told CHP that his English was good, he wanted the writing to be in Spanish.

29. The disclaimer of ownership of assets and waiver of right to notice of seizure form that Verduzco-Lopez signed specifically read, "I hereby state that I am NOT the owner of the above-listed asset(s) and have no claim for its return to me."

30. Verduzco-Lopez further stated that he owns a carwash, earning approximately \$150 to \$200 per week, and \$14,000 per year. Verduzco-Lopez further stated that he owns a small two-bedroom house in Mexicali where he lives with his girlfriend, who earns less money than he does, and two children. Verduzco-Lopez stated that his assets consist of two cars and approximately \$2,000 in savings. CHP then released Verduzco-Lopez from custody and Verduzco-Lopez left the area in the Honda.

IV. CLAIM FOR FORFEITURE

31. The allegations contained in paragraphs 1 through 30 of this Complaint are incorporated herein and made part hereof.

32. As a result of the foregoing, the Defendant in rem is subject to forfeiture to the United States pursuant to 21 U.S.C. § 881(a)(6), because the Defendant in rem constitutes money furnished or intended to be furnished in exchange for a controlled substance or is proceeds traceable to an exchange of moneys or other things of value furnished in exchange for a controlled substance in violation of violation of Title 21, Subchapter I, of the United States Code.

WHEREFORE, the United States of America requests that the Clerk of the Court issue a warrant for the arrest and seizure of the Defendant in rem

pursuant to Rule G(3)(b)(i) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions of the Federal Rules of Civil Procedure, which the plaintiff will execute upon the Defendant in rem pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c); that notice of this action be given to all persons who reasonably appear to be potential claimants to the Defendant in rem; that the Defendant in rem be forfeited and condemned to the United States of America; that the plaintiff be awarded its costs and disbursements in this action; and that the Court grant such other and further relief it deems just and proper.

Dated: Newark, New Jersey
August 15, 2019

CRAIG CARPENITO
United States Attorney

s/Peter W. Gaeta
By: PETER W. GAETA
Assistant United States Attorney

VERIFICATION

STATE OF NEW JERSEY)
COUNTY OF ESSEX : ss.:
DISTRICT OF NEW JERSEY)

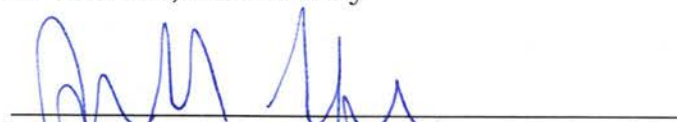
DETECTIVE ERIK M. NOLTE, being duly sworn, deposes and says that he is a federal law enforcement officer within the meaning of Rule 41(a)(2)(C) of the Federal Rules of Criminal Procedure, that is, a government agent engaged in enforcing the criminal laws; that he has been deputized as a Special Federal Officer by the Federal Bureau of Investigation, and as such has responsibility for this action; that he has read the foregoing Complaint and knows the contents thereof; and that the same is true to the best of his own knowledge, information and belief.

The sources of deponent's information on the grounds of his belief are official records and files of the Federal Bureau of Investigation, the State of California, and the United States Government, and information obtained directly by the deponent, and information obtained by other law enforcement officials, during an investigation of alleged violations of Title 21, United States Code.



Detective Erik M. Nolte
Task Force Officer
Federal Bureau of Investigation

Sworn to and subscribed before me
this 15th day of August, 2019
at Newark, New Jersey



Jaclyn N. Wyrwas
Attorney-at-Law of the State of New Jersey

JS 44 (Rev. 08/18)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

United States of America

(b) County of Residence of First Listed Plaintiff _____

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Peter W. Gaeta, Assistant U.S. Attorney
United States Attorney's Office, 970 Broad St., Suite 700
Newark, New Jersey 07102 Tel.: (973) 645-2927

DEFENDANTS

\$1,079,000 in United States Currency

County of Residence of First Listed Defendant _____

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input checked="" type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

21 U.S.C. 881

Brief description of cause:

Forfeiture of property related to controlled substances offenses

VII. REQUESTED IN COMPLAINT:
☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE Peter G. Sheridan

DOCKET NUMBER 17-cr-452

DATE

08/15/2019

SIGNATURE OF ATTORNEY OF RECORD

/s/ Peter W. Gaeta

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA,	:	Hon.
Plaintiff,	:	Civil Action No. 19-
v.	:	
\$1,079,000 IN UNITED STATES	:	WARRANT FOR
CURRENCY,	:	<u>ARREST IN REM</u>
Defendant <i>in rem</i>.	:	

**TO ANY OFFICER OF THE UNITED STATES DEPARTMENT OF JUSTICE,
THE FEDERAL BUREAU OF INVESTIGATION, AND/OR ANY OTHER DULY
AUTHORIZED LAW ENFORCEMENT OFFICER:**

WHEREAS, a Verified Complaint for Forfeiture *in Rem* has been filed on August 15, 2019 in the United States District Court for the District of New Jersey, alleging that the defendant property, namely \$1,079,000 in United States currency, is subject to seizure and forfeiture to the United States for the reasons set forth in the Complaint;

WHEREAS, the defendant property is currently in the possession, custody, or control of the United States;

WHEREAS, in these circumstances, Rule G(3)(b)(i) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal

Rules of Civil Procedure (the “Supplemental Rules”), directs the Clerk of the Court to issue a Warrant for Arrest *in Rem* for the defendant property; and

WHEREAS, Rule G(3)(c)(i) of the Supplemental Rules provides that the Warrant for Arrest *in Rem* must be delivered to a person or organization authorized to execute it, who may be an agent with the United States Department of Justice or any other United States officer or employee; someone under contract with the United States; or someone specially appointed by the court for that purpose.

YOU ARE, THEREFORE, HEREBY COMMANDED to take such steps as are necessary to arrest and detain the defendant property, including, if appropriate, serving a copy of this warrant on the custodian in whose possession, custody, or control the property is currently found; and

YOU ARE FURTHER COMMANDED to use whatever means may be appropriate to protect and maintain the defendant property in your custody until further order of this Court.

IN WITNESS WHEREOF, I, the Clerk of the United States District Court for the District of New Jersey, have caused the foregoing Warrant for Arrest *In Rem* to be issued pursuant to Rule G(3)(b)(i) of the Supplemental Rules.

Dated: _____

Clerk of the Court

By: _____

Deputy Clerk